

Envision San Jose 2040 General Plan Four-Year Review



Planning Commission
November 16, 2016

Background

Four-Year Review of the General Plan

- Evaluate achievement of key goals
 - Planned growth and J/ER ratio
 - Urban Village implementation
 - Environmental indicators (GHG)
 - Affordable Housing
- Make “mid-course adjustments”
- Reconvene Envision SJ 2040 Task Force

Background

City Council approved scope of work	May 2015
Task Force Meetings	November 2015 – April 2016
Environmental Review (Addendum to EIR)	December 2015 – November 2016
Planning Commission and City Council Hearings	November/December 2016

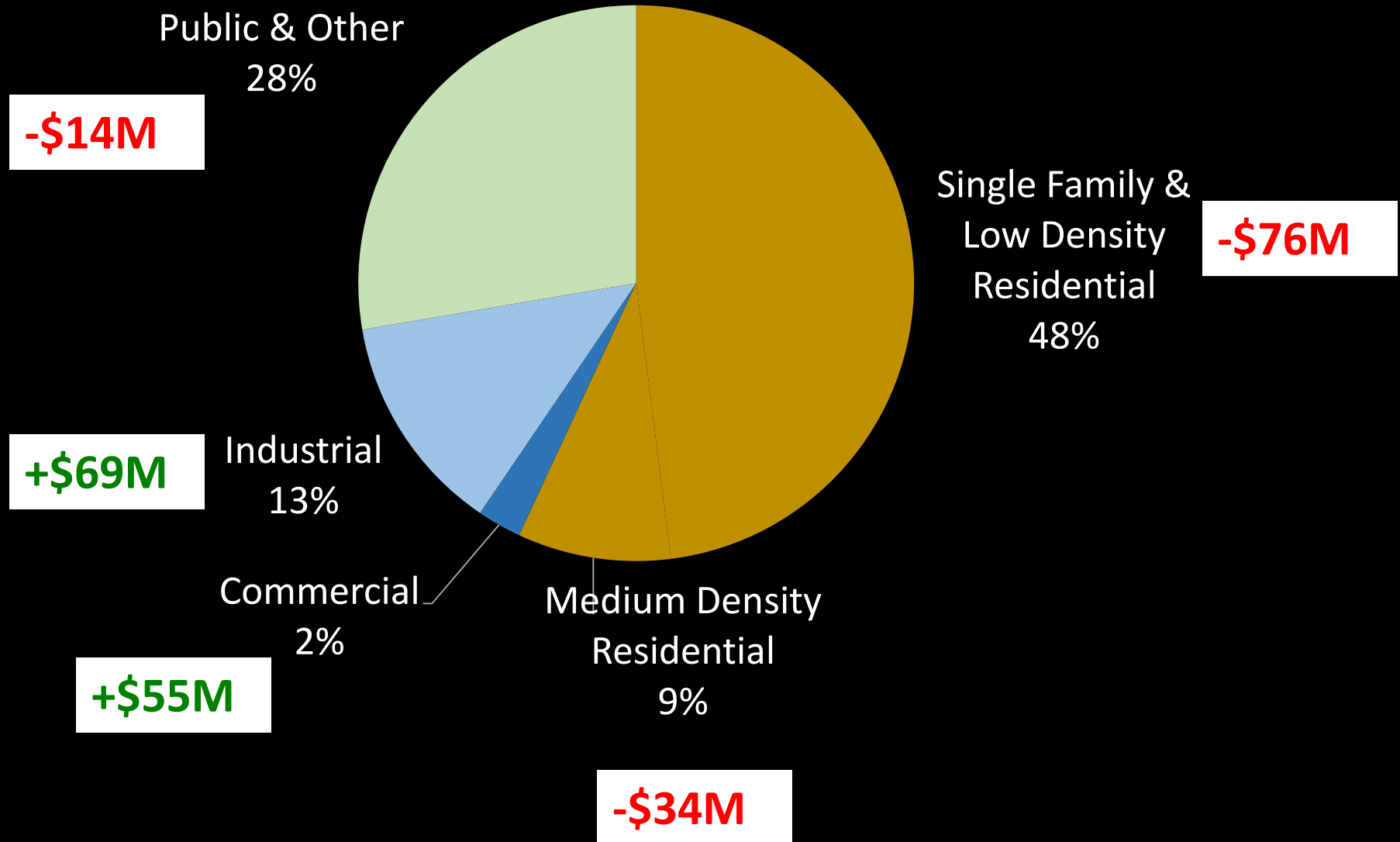
Updated Fiscal Impact Study

Key Findings

- Residential land uses generally require more services than they provide directly in revenue
- Non-residential uses create tax base needed to balance funding for residential services
- Northern SJ generates largest net fiscal benefit
- New higher-density residential development (approx. 40+ du/ac.) generally generates positive fiscal impact

Updated Fiscal Impact Study

San José's Land Uses by Area & Fiscal Impact

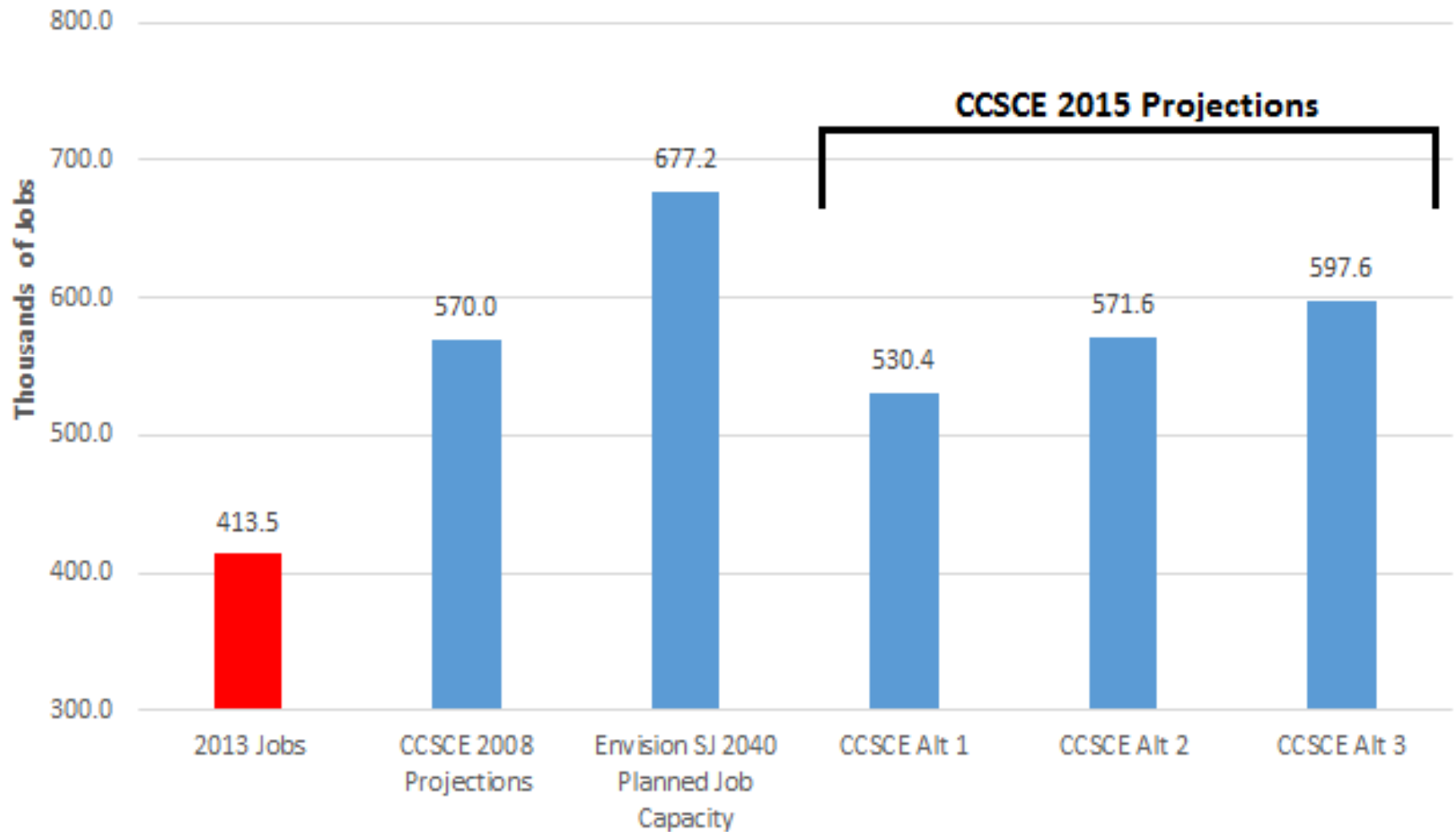


Updated Jobs and Pop. Projections

CCSCE Key Regional Assumptions and Findings

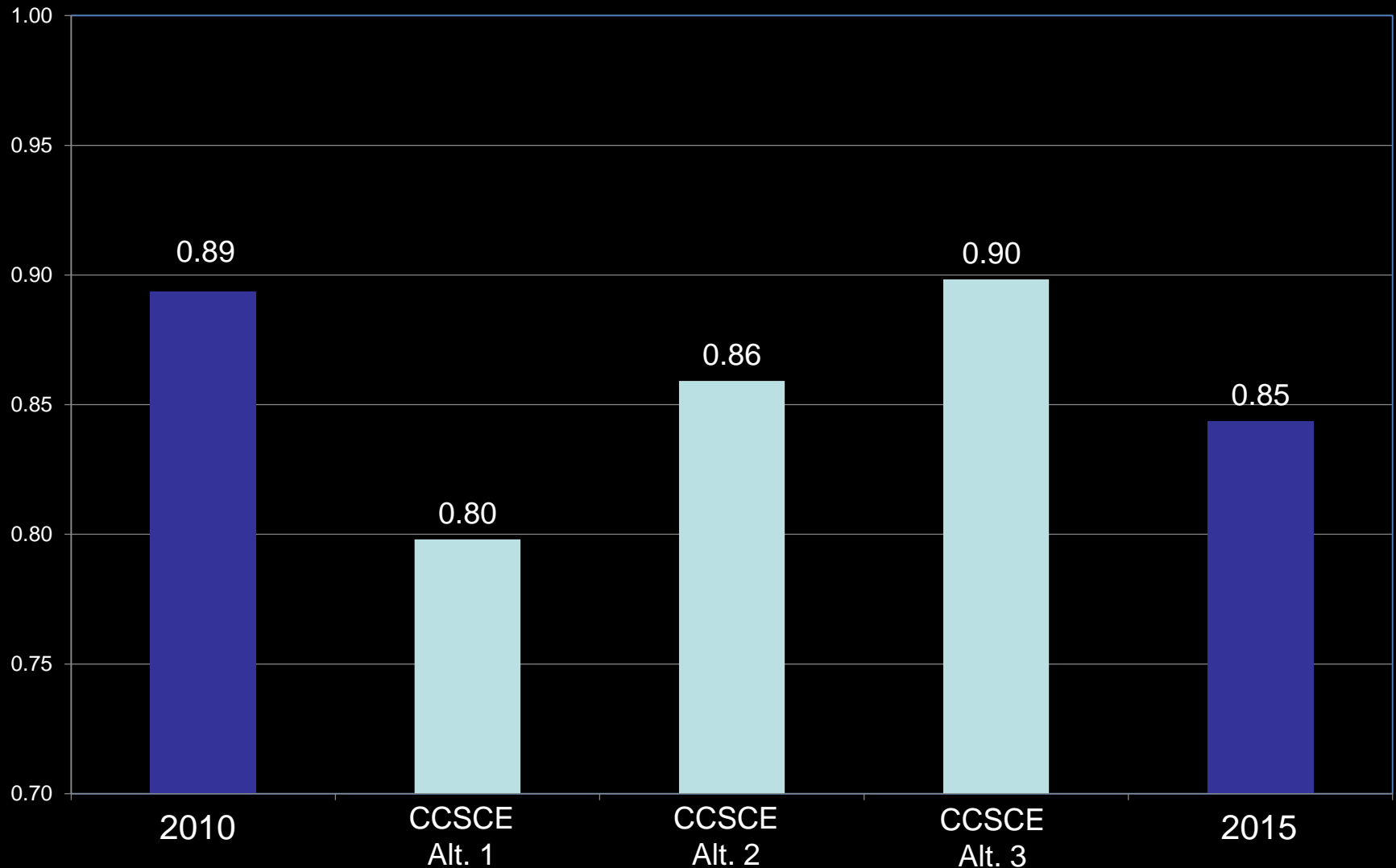
- Small regional job share increases in a few industries to 2025
 - Conservatively estimated no share increases after 2025
- Bay Area has high share of fast growing industries
 - Favorable industry composition pushes overall regional share up even when industry shares are constant
- In 2040 regional share of U.S. jobs projected slightly above 1990 and 2015 levels

Updated Jobs and Pop. Projections



Updated Jobs and Pop. Projections

Projected Jobs per Employed Resident



Market Overview and Employment Lands Analysis

- Overview of recent employment growth and commercial, industrial, and retail market trends
- Project demand vs. existing supply of employment lands
- Urban Villages Market Assessment



Market Overview and Employment Lands Analysis

Key Findings

- Projected demand for industrial exceeds vacant employment lands in City's core
- City has shortage of vacant land designated for projected office and retail
 - Significant portion of demand will be met through redevelopment



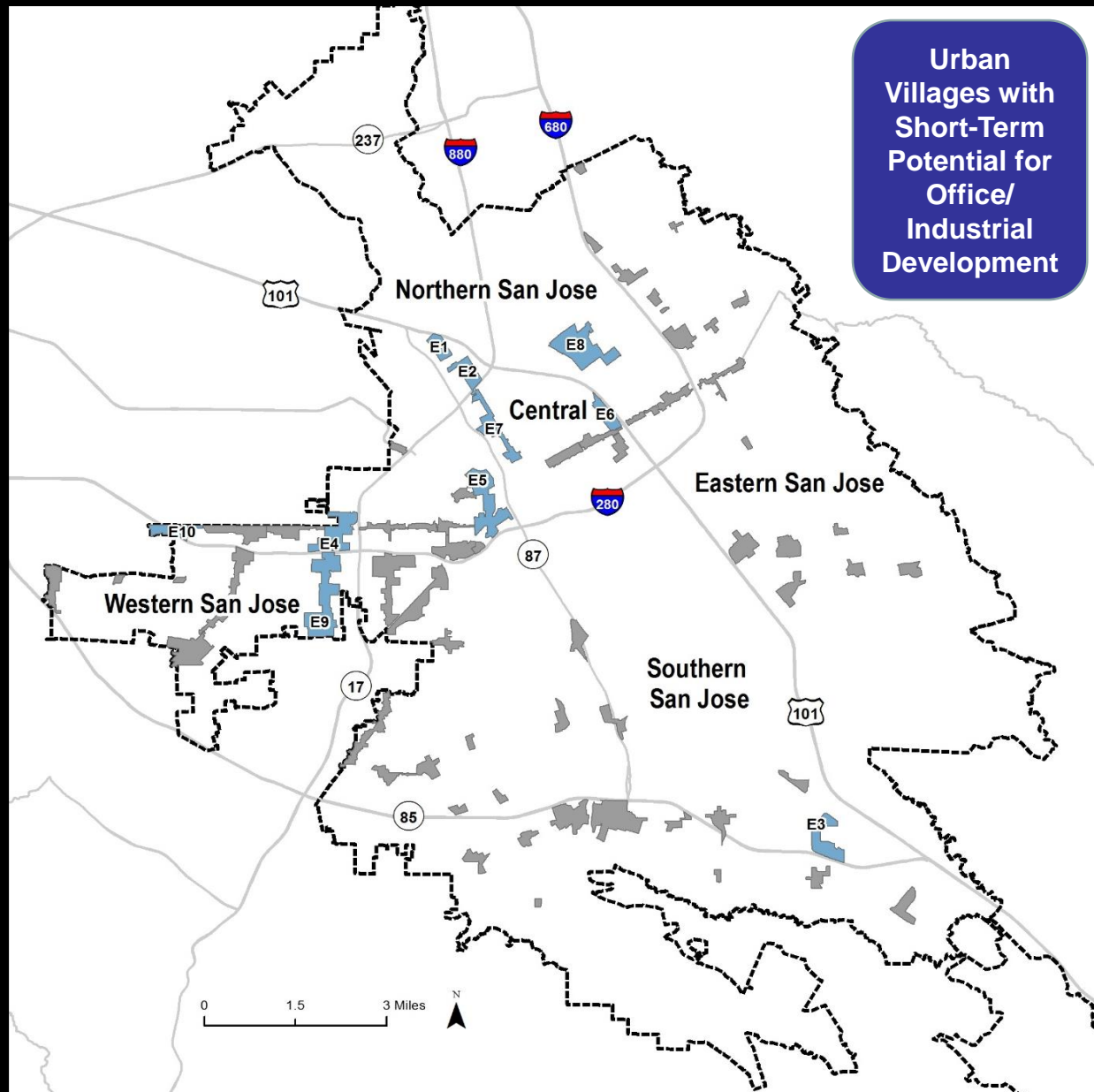
Market Overview and Employment Lands Analysis

Key Findings

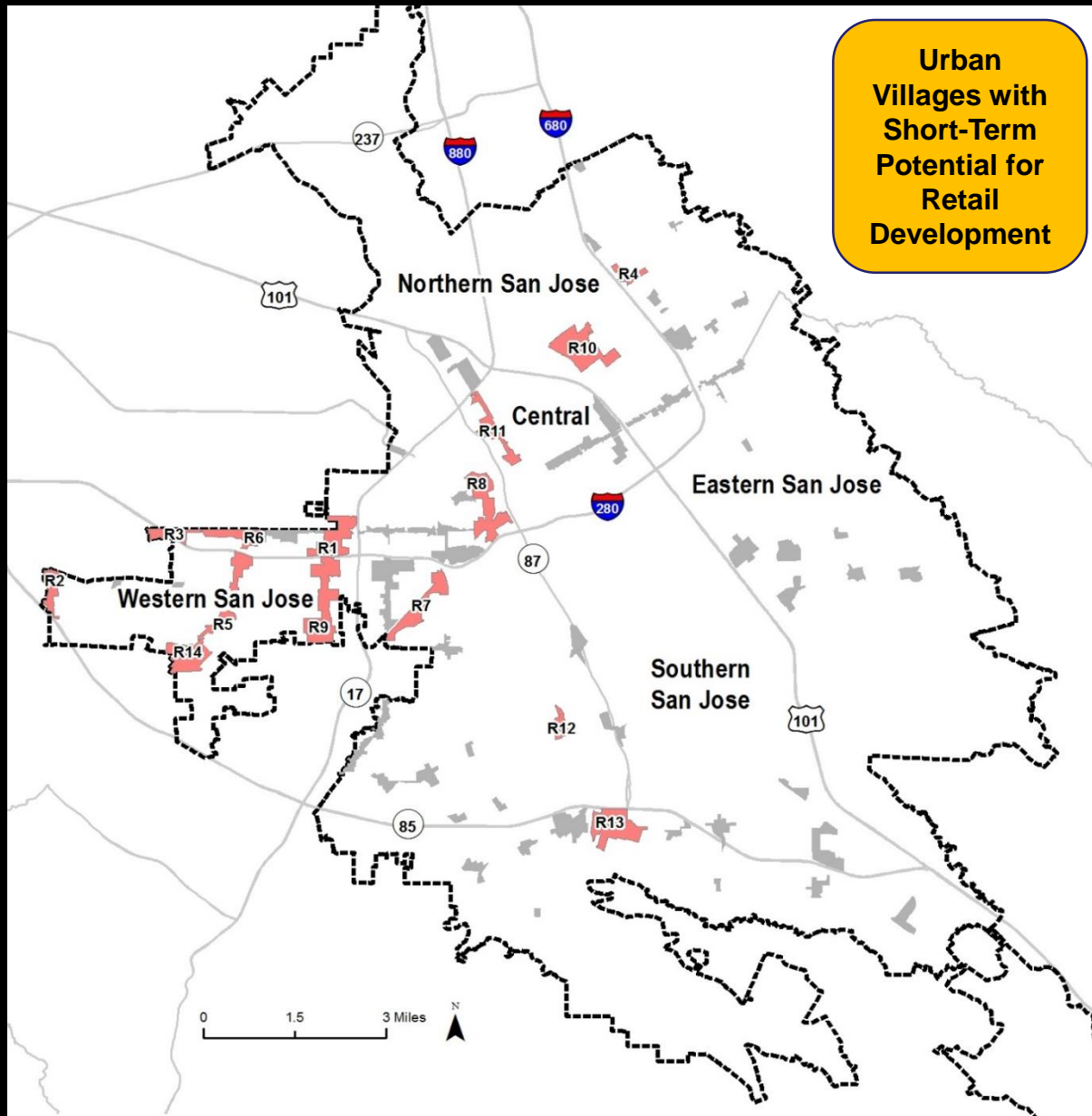
- SJ becoming increasingly attractive for high tech and other office tenants
- City experiences retail sales leakage
- Southern San Jose may become more attractive for traditional industrial uses



Market Overview and Employment Lands Analysis



Market Overview and Employment Lands Analysis



Planned Job Capacity

Purpose of Adjusting Planned Job Capacity

- Address Urban Village implementation challenges
- Set more achievable planned jobs capacity per City Council direction
- Uphold goal of becoming a regional jobs center
- Maintain planned job capacity for a variety of future employment growth

Recommendations

-
- ENVISION FOR 2040**
- MAP LEGEND**
- Discontinuity
 - Specific Plan Area
 - Employment Area
 - Tactical Employment Center
 - Urban Village
 - Grand Boulevard
 - Main Street
 - Urban Growth Boundary
- Scale: 1 inch = 2 miles

[illegible]

Planned Job Allocation

Considerations to Job Allocation Adjustments

- Consider data/findings from Market Overview and Employment Lands Analysis
- Consider current development trends
- Maintain employment capacity within Development Policy Areas (e.g., NSJ Development Policy)
- Maintain growth levels of Urban Villages in areas with major transit facilities

Planned Job Allocation

Recommendations

Growth Area	Existing Planned Job Capacity	Proposed Planned Job Capacity	Difference	Existing Planned Housing Yield	Proposed Planned Housing Yield	Difference
Downtown*	48,500	48,500	0	10,360	10,360	0
Specific Plan Areas	28,920	22,100	-6,820	8,480	8,480	0
Employment Land Areas	275,090	226,881	-48,209	33,420	33,420	0
Regional Transit Urban Villages	27,760	27,760	0	9,000	9,000	0
Local Transit Urban Villages	46,565	30,710	-15,855	35,496	35,496	0
Commercial Center Villages & Corridors	25,800	20,890	-4,910	13,984	13,984	0
Neighborhood Villages	13,740	3,400	-10,340	6,103	6,103	0
Other Identified Growth Areas	3,625	1,759	-1,866	3,157	3,157	0
TOTAL	470,000	382,000	-88,000	120,000	120,000	0

* 10,000 jobs and 4,000 housing units proposed to be shifted to Downtown as part of Downtown Strategy update process.

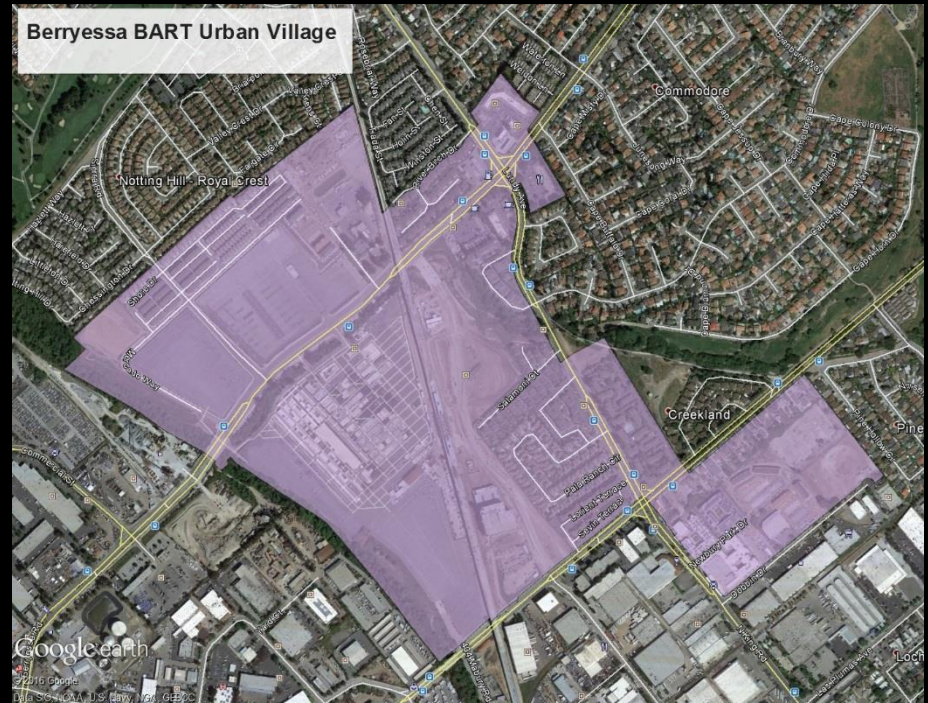
Plan Horizons

- Residential development in Urban Villages is phased in three Plan Horizons (currently in Horizon 1)
- City Council evaluates moving Urban Villages in future horizons into current Horizon during Four-Year Review
- Criteria to move to next Horizon:
 - Jobs/Housing balance
 - Fiscal Sustainability
 - Housing Supply
 - Infrastructure

Plan Horizons

Recommendations

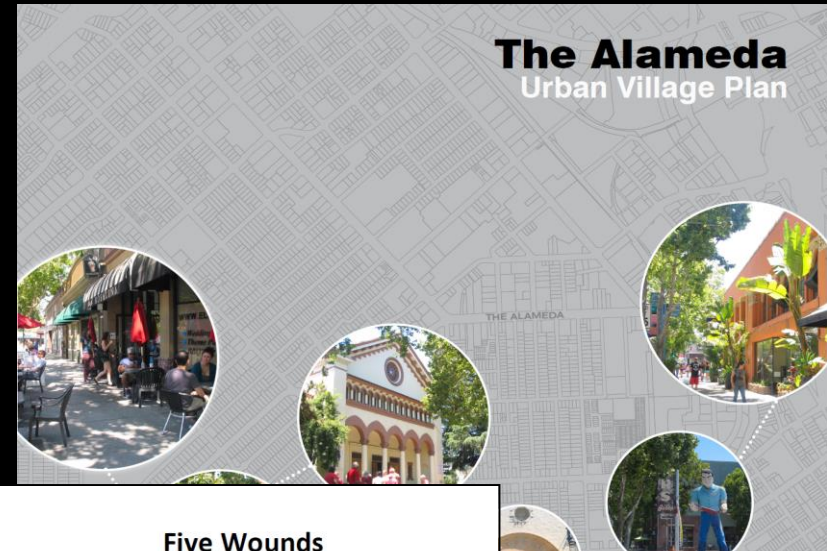
- Stay in current Plan Horizon
- Move Berryessa BART Urban Village from Horizon 1 to Horizon 2



Urban Village Strategy

Recommendations

- Adjust target for development of Urban Village Plans from 9 months to 1 year
- City Council should direct staff to prioritize future Urban Village planning efforts on Horizon 2 Light Rail Urban Villages

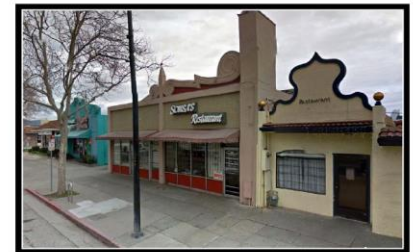


Five Wounds
Urban Village Plan



Approved by the City Council on November 19, 2013

LITTLE PORTUGAL
URBAN VILLAGE PLAN



Approved by the City Council on November 19, 2013

Water Supply

- Water supply assessments demonstrate there is enough water to serve planned growth
- Water retailers have met or exceeded mandatory water demand reductions
- No new policy recommendations related to Water Supply



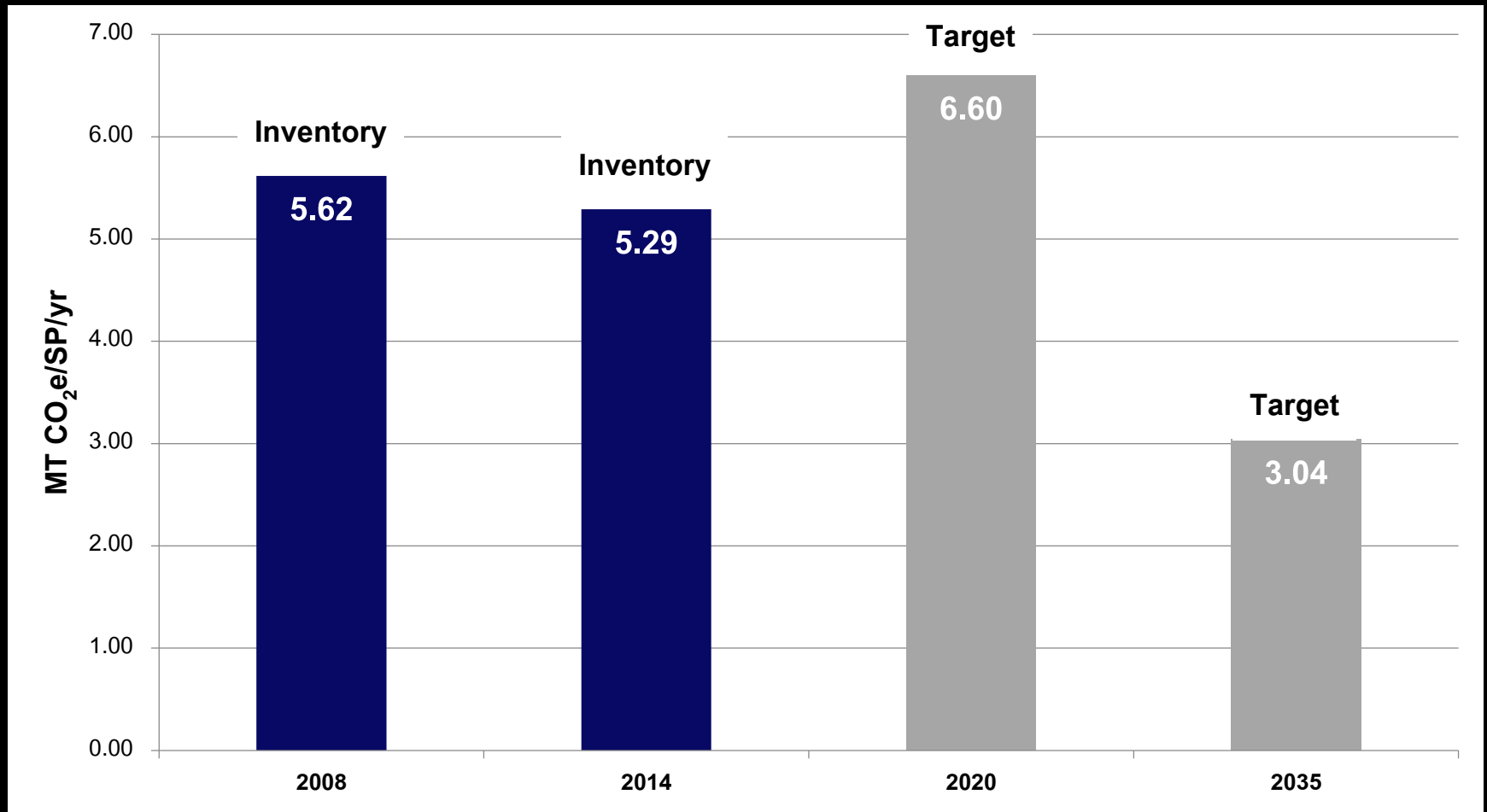
Greenhouse Gas Emissions

Greenhouse Gas Emissions Inventory Update

- GHG emissions have decreased by 2% community-wide since 2008
- Transportation emissions increased by 16% since 2008
- Energy emissions decreased by 33% due to cleaner electricity and energy efficiency programs
- City is on track to meet its and State's GHG emission reduction target for 2020

Greenhouse Gas Emissions

Inventory and Target Comparisons



Greenhouse Gas Emissions

- Regulatory changes enacted by State in September 2016
 - Senate Bill 32 requires statewide GHG emissions to be reduced to 40% below 1990 level by 2030
 - CA Air Resources Control board updating State's Climate Change Scoping Plan to establish framework for achieving GHG emission reductions
- SB 32 will require City to update GHG Reduction Strategy

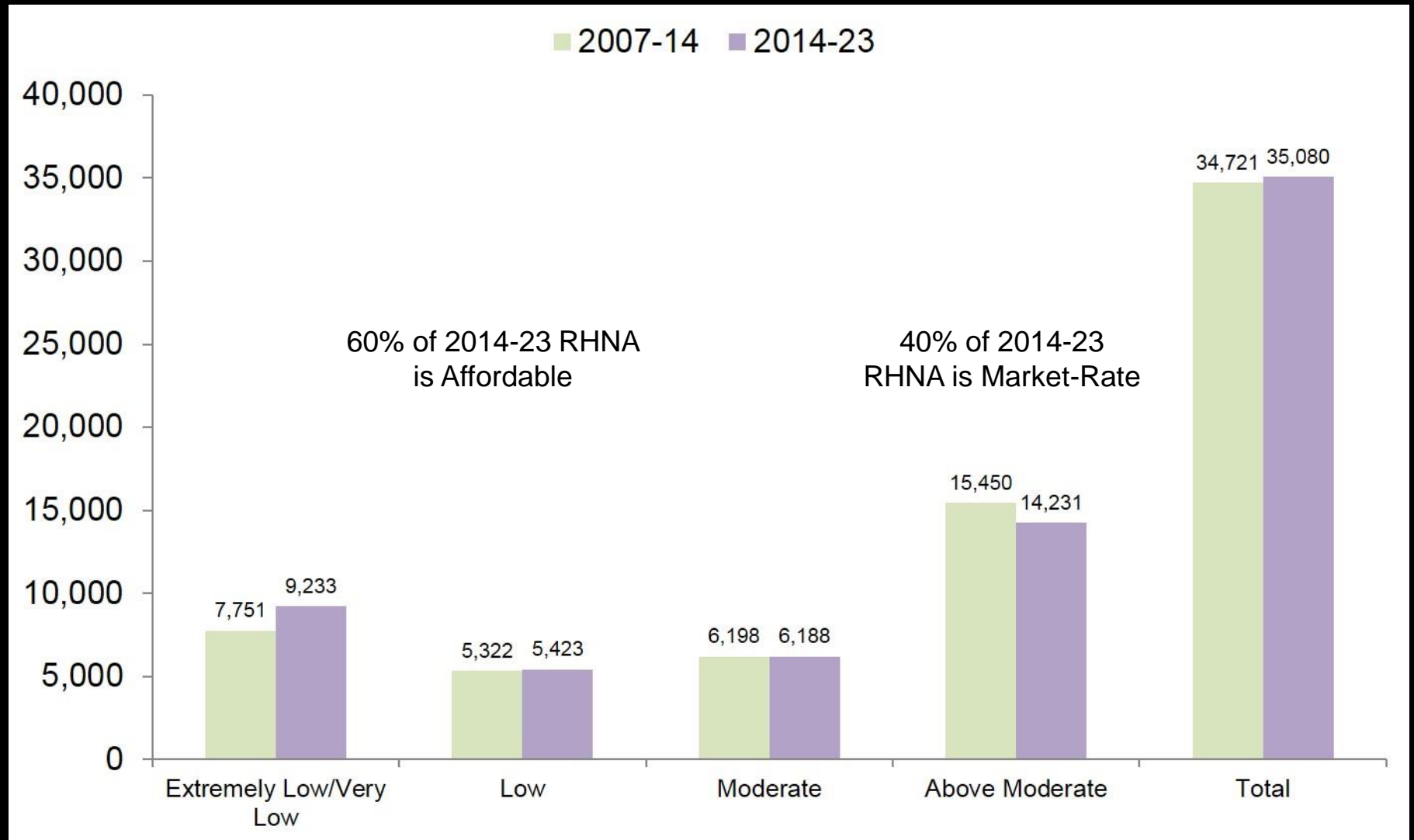
Greenhouse Gas Emissions

Recommendations

- Minor updates to General Plan GHG policies recommended
- Add Action Item to update GHG Reduction Strategy within two years of completion of updated State Climate Change Scoping Plan

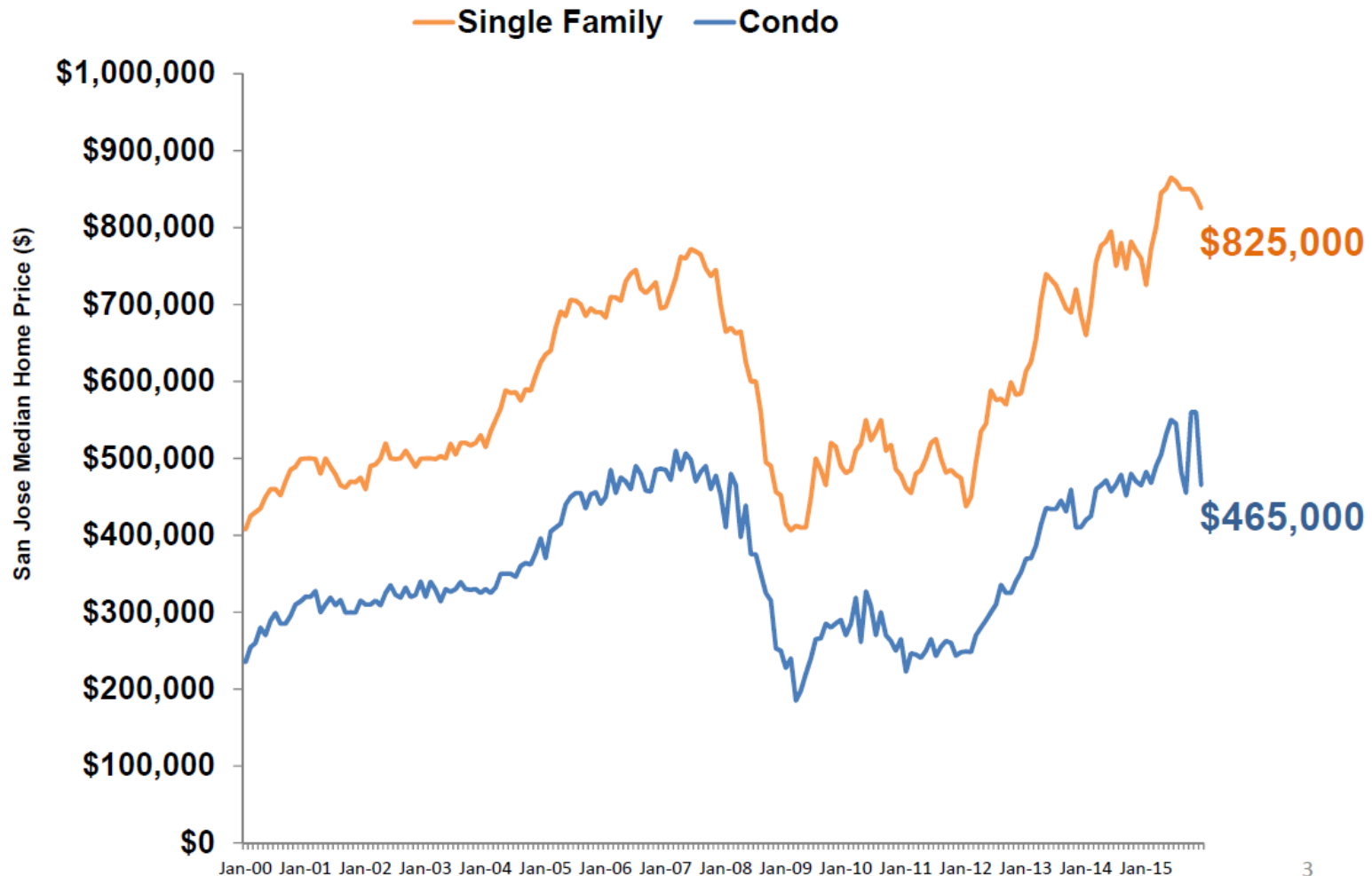
Affordable Housing

2014-23 RHNA versus 2007-14 RHNA



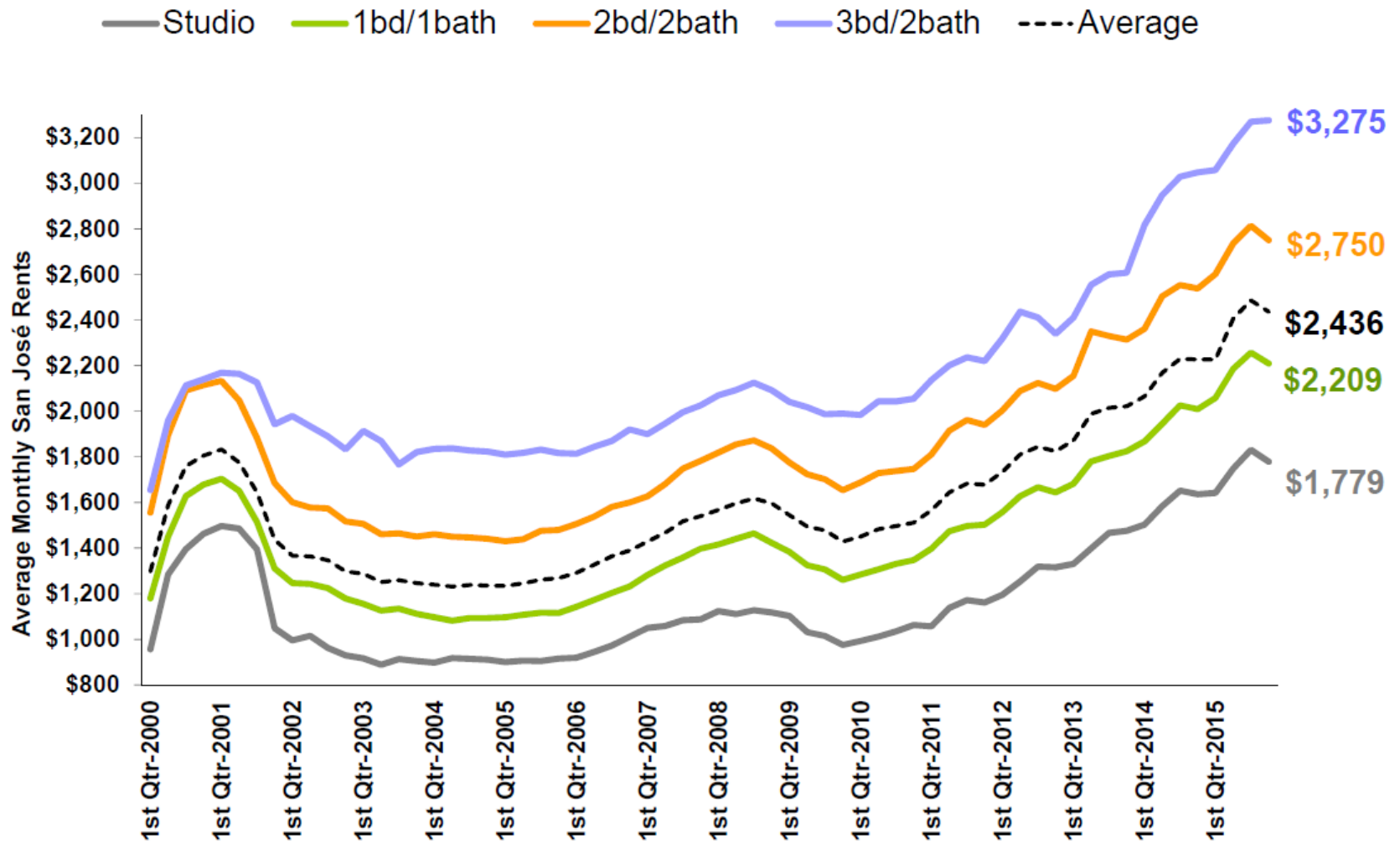
Affordable Housing

For-sale housing costs have recovered



Affordable Housing

Rents at all time highs



Affordable Housing

Challenges to Providing Affordable Housing

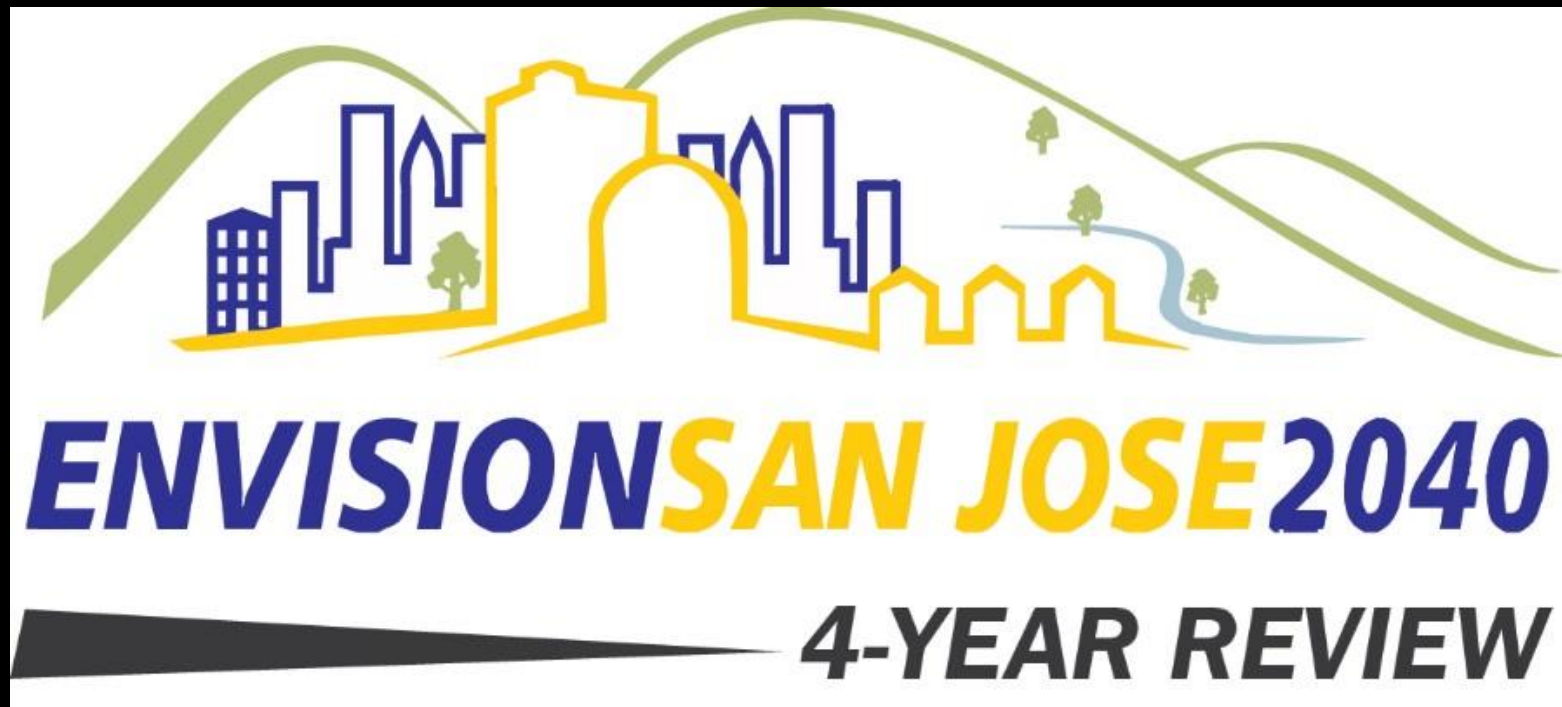
- Dissolution of Redevelopment Agency
- Reduced State funding sources
- Reductions in federal housing programs
- Price of land in San José and construction costs
- Continued market demand for urban, walkable, transit-oriented communities

Affordable Housing

Recommendations

- Establish an area-wide goal for Urban Village Plans that $\geq 25\%$ of units built would be affordable
- 100% affordable housing projects can proceed within an Urban Village ahead of a Growth Horizon or approved Village Plan
- 100% affordable housing projects allowed on commercially designated vacant or underutilized sites ≤ 1.5 acres outside of existing Growth Areas
- Identify, assess, and implement potential tools, policies, and programs to prevent or mitigate displacement of low-income residents

Questions



Planning Commission

November 16, 2016

Staff Recommendation Updates

- Reallocate 10K jobs & 4K units to Downtown as part of the DT Strategy process consistent with Task Force and staff recommendation
- Reduce planned job capacity in North Coyote by 15K jobs instead of 30K jobs
- Reallocate 3,000 additional jobs to Valley Fair/Santana Row Urban Village
- Reallocate 1,000 planned jobs to Race Street Light Rail Urban Village from Meridian/Parkmoor “Former Village”

Recommendations: Job and Housing Allocation

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